

THE ROLE OF FOREIGN AID IN NORTH VIETNAM'S
MILITARY AND ECONOMIC EFFORT

North Vietnam's ability to maintain an effective military force, to furnish continued logistic support to Communist forces in South Vietnam, and to withstand the effects of the allied bombing is largely dependent on the continued receipt of material aid from other Communist countries. The USSR and Communist China, which have been the principal suppliers of military and economic assistance to Hanoi, considerably increased their assistance in response to the allied air offensive against North Vietnam. In general, both suppliers have furnished that type of assistance most compatible with their available resources. In the area of arms aid, for example, the USSR has provided the bulk of the equipment, including the more sophisticated air defense systems, while Communist China has supplied most of the lighter weapons and manpower for technical assistance. In value terms the USSR has been the leading supplier, accounting, since 1965, for more than 80 percent of the military aid and over 55 percent of the economic aid. The Eastern European Communist countries have extended only negligible amounts of military assistance but accounted for 15 percent of the economic aid during the period. The remainder is almost entirely assistance from Communist China. Except for North Korea, aid from other Communist countries, including Cuba has been insignificant.

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A. Communist Military Aid to North Vietnam

1. Role of Military Aid in the War Effort

The military assistance provided by the USSR and Communist China has been a key element in North Vietnam's military capability and in its attitude toward continuing the war. The importance of this assistance has been frequently attested to in Vietnamese public statements. In Hanoi's view, Communist military support provides at least a semblance of protection which inhibits further allied military pressure on North Vietnam and helps to negate the effects of the bombing. The North Vietnamese also regard this aid as extremely valuable in sustaining the military pressure that can be brought to bear in South Vietnam. Finally, Hanoi hopes that Soviet and Chinese aid serves to warn the US that North Vietnam can count on support from the Communist camp despite the Sino-Soviet rift.

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2. Estimated Magnitude and Value of Military Deliveries

Although Communist deliveries of military equipment to North Vietnam cannot be quantified precisely, it is estimated that from January 1965 to March 1967, these deliveries totaled about \$670 million, compared with only \$140 million during 1953-64. Approximately four-fifths of the total provided since the beginning of 1965 has come from the USSR and the balance from Communist China (see Table 1). The contribution of other Communist countries has been negligible.

Table 1

Estimated Value of Soviet and Chinese Communist Deliveries
of Military Equipment to North Vietnam
1953-March 1967*

<u>Year</u>	<u>Million US \$</u>		
	<u>Total</u>	<u>USSR</u>	<u>Communist China</u>
Total 1953-64	<u>140</u>	<u>70</u>	<u>70</u>
1965	260	225	35
1966	320	250	70
January-March 1967	90	65	25
Total 1965-March 1967	<u>670</u>	<u>540</u>	<u>130</u>
Total 1953-March 1967	<u>810</u>	<u>610</u>	<u>200</u>

* Estimates do not include the value of military infrastructure and facilities.

In 1965, total military aid (mostly provided by the USSR) increased some 600 percent over the level of 1964, to about \$260 million. Military aid deliveries in 1966 in turn increased nearly 25 percent over the high level of the previous year to about \$320 million. Although deliveries in the first quarter of 1967 continued at a high level, deliveries during all of 1967 are not expected to exceed the level of 1966, barring the introduction of new weapons systems such as coastal defense missiles.

Nearly 90 percent of Soviet aid (about \$540 million) has been delivered since 1 January 1965. From 1953 to 1964 Soviet military deliveries to North Vietnam totaled about \$70 million and consisted mainly of artillery, small arms, about 75 transport and

fighter aircraft, and 20 small naval craft. In 1965 the character of Soviet aid changed drastically as the emphasis shifted to the rapid development of an air defense system and radar network. The magnitude of Soviet assistance rose sharply to \$225 million in 1965 and \$250 million in 1966. By March 1967, Soviet deliveries included a SAM system comprising an estimated 30 firing battalions, 125 additional aircraft (including 111 MIG jet fighters), and approximately 5,700 antiaircraft guns, ranging from 37 mm to 100 mm, as well as radar equipment, vehicles, small arms, and ammunition (see Table 2).

About 65 percent (\$130 million) of the estimated \$200 million worth of Chinese Communist military aid has been delivered since the beginning of 1965. Earlier deliveries largely consisted of some MIG-15/17 jet fighters, 30 Swatow-class motor gunboats, and a variety of artillery, small arms, and ammunition. In 1965 Chinese military assistance more than doubled over the level of 1964 and in 1966 again doubled over the previous year. The primary Chinese contribution has been that of providing small arms, trucks and other vehicles, some small naval craft, military technical assistance, and technicians and laborers for military-related construction activities (see Table 3).

Although direct military assistance supplied by the Eastern European Communist countries and Cuba has been negligible, the former have supplied a wide range of defense support-type equipment regarded as essential for the maintenance and reconstruction of transportation and communication lines and for key industrial sectors involved in the country's military effort. This category of aid has included POL, medical supplies and pharmaceuticals, general purpose vehicles, construction supplies and equipment, heavy industrial machinery, cargo barges, pontoon bridge sections, and small quantities of sporting rifles and ammunition. Deliveries of such aid are included in the economic category.

3. Military Technical Assistance

In addition to providing military equipment, both the USSR and Communist China have provided military advisers and technicians. The Chinese contribution in this area has been far greater than that of the USSR. It is estimated that between 25,000 and 50,000 Chinese support troops are in North Vietnam working on the construction, repair, and defense of transportation facilities. An unknown number of Chinese military personnel also are employed in the training of North Vietnamese troops.

In contrast, the number of Soviet military technicians probably did not exceed 2,500 in the peak year of 1965.

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It is currently estimated that the number of Soviet military technicians in North Vietnam ranges from 1,000 to 1,500.

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B. Communist Economic Aid to North Vietnam

Economic aid deliveries to North Vietnam from Communist countries are estimated at \$150 million for 1965 and \$275 million for 1966. This increasing level of deliveries is expected to slow down in 1967, more because of probable North Vietnamese inability to absorb much further increase at this time than because of reduced Communist willingness to support the war.

The USSR has been the major contributor in both 1965 and 1966, replacing Communist China as North Vietnam's principal supplier, at least in value terms. In 1966, the Eastern European Communist countries also increased their aid deliveries significantly, as shown in the following tabulation of Communist aid to North Vietnam for 1965-66:

	<u>Million US \$</u>	
	<u>1965</u>	<u>1966</u>
Total	<u>150</u>	<u>275</u>
USSR	85	150
Communist China	50	75
Eastern Europe	15	50

In addition, insignificant amounts of aid have been extended by Cuba, Mongolia, and North Korea.

A good indicator of the rise in Communist aid is the increase in North Vietnam's consistently large deficit in trade with the Communist countries, especially with the Soviet Union (see Table 4). This deficit amounted to \$100 million in 1965, and preliminary trade statistics support the estimate of a greatly increased deficit in 1966. With North Vietnam unable to clear these accounts, this imbalance can be considered as economic aid and may well be written off as grant aid eventually.

Another indicator of the increased level of economic aid has been the increased volume of seaborne shipments to North Vietnam in 1966, which consists overwhelmingly of economic aid deliveries.

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No military weapons have been observed coming to North Vietnam by sea. In 1966, the number of ship arrivals fell by more than 15 percent, but the volume of imports rose sharply (up one-third). This trend seems likely to continue in 1967.

North Vietnamese imports from the Communist countries have generally been the type that would aid industrial development and include complete plants, transportation and construction equipment, machinery, PCH, and light manufactured goods. Machinery and equipment to repair and restore bomb damaged facilities and to increase the war-supporting potential of industry are also included. Consumer goods account for only a small quantity of imports, and aid in the form of food has been a significant item only from China. Recently, however, there seems to be a sharp increase in the amount of food imported in an apparent effort to compensate for the shortfalls in the 1966 harvest.

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